



**United States Attorney's Office
District of Columbia**

**Jeffrey A. Taylor
United States Attorney**

NEWS RELEASE

FOR IMMEDIATE RELEASE

Friday, May 22, 2009

USAO Public Affairs

(202) 514-6933

www.usdoj.gov/usao/dc

Former Manager for Federal Government Pleads Guilty to Retirement Fraud

WASHINGTON - Brian H. McClelland, a 65-year-old former Assistant Regional Manager of the Federal Deposit Insurance Corporation ("FDIC"), has pled guilty to one count of theft of government funds in connection with his receipt of over \$137,000 in retirement benefits to which he knew he was not entitled, U.S. Attorney Jeffrey A. Taylor announced today.

McClelland, of Somers, Connecticut, entered his guilty plea yesterday in U.S. District Court before the Honorable Rosemary M. Collyer. McClelland is scheduled to be sentenced on September 17, 2009, and could face up to 18 months in prison under the Federal Sentencing Guidelines as a result of the guilty plea.

According to the factual proffer agreed to by McClelland, McClelland was employed by the FDIC, including a stint at the Resolution Trust Corporation, for a total of nearly 15 years and retired on June 30, 2000, as an Assistant Regional Manager for Loan Management. He was covered by the Federal Employees Retirement System, which is administered by the U.S. Office of Personnel Management ("OPM") in Washington, D.C.

McClelland served in the U.S. Army Reserves from June 1966 to June 1972. Only four months of that time – from July 4, 1967, to November 3, 1967 – was active duty, and that was for his basic training. His highest rank was Private, his specialty was Clerk, and the only commendation he received was Sharpshooter M-14 Rifle. On July 29, 1985, his first day of work at the FDIC, McClelland completed Standard Form 144, Statement of Prior Federal Civilian and Military Service, in which he stated that his only active duty military service was in the "United States Army Reserve" from July 4, 1967, to November 6, 1967.

Several years before his retirement from the FDIC, McClelland devised and implemented a scheme to steal money that rightfully belonged to OPM. McClelland made false statements regarding the length of his active-duty military service and presented forged documents to the FDIC in support of those false statements in order to collect higher

annuity payments upon retirement than those to which he knew he would otherwise be entitled.

Beginning in 1996, McClelland knowingly submitted at least four separate documents to the FDIC which falsely stated that McClelland was engaged in active military service in the U.S. Army from June 29, 1961, to June 28, 1972, a total of 11 years. For example, McClelland submitted to the FDIC a purported copy of his Defense Department Form 214 (DD-214) which falsely listed his dates of military service as "29-06-61" to "28-06-72," his rank as "Major," his specialty as "Psy Ops," his service as "classified," and his commendations as "National Defense Service Medal; Distinguished Service Cross; Silver Star; Bronze Star with V Device; Purple Heart; Expert Badge (M-14); Expert Badge (45 pistol); CMBT Senior Para; CMBT Medic; CMBT Infantryman." McClelland submitted this document to the FDIC knowing that this document was a forgery.

In 2000, McClelland signed and submitted an application for retirement and related documents in which he falsely stated that his dates of active duty in the U.S. Army were from "06-29-61" to "04-28-67" and that his last rank was "Major."

McClelland well knew that his false statements to the FDIC regarding the length of his active-duty military service and the forged documents he submitted to the FDIC in support of his false statements would cause OPM to pay him higher retirement benefits than those to which he was entitled. From July 1, 2000, to January 30, 2008, OPM made annuity payments to McClelland totaling \$220,454.00. These payments were calculated based upon the 25 years and 5 months of total federal civilian and active military service that McClelland falsely claimed. McClelland did not inform OPM or the FDIC during the time period of these payments that he had misrepresented the length of his active military duty and was not entitled to these payments. Based on McClelland's correct total of 14 years, 9 months, and 15 days of federal civilian and active military service, the net amount of payments that were improperly obtained by McClelland was \$137,704.00.

In announcing the guilty plea, U.S. Attorney Taylor praised the hard work of Special Agent Derek M. Holt, OPM, Office of the Inspector General ("OIG"), Special Agent Valerie V. Toyer, FDIC, OIG, and Special Agent Donna Neves, Department of Veterans Affairs, OIG. Mr. Taylor also acknowledged the efforts of Assistant U.S. Attorney Ellen Chubin Epstein, who investigated and prosecuted this matter.

###